



Legislative Update September 2005

This update summarizes the Commission's legislative priorities by subject area, including actions taken by the Legislature and the current status of the bills. A summary of the status of other postsecondary education bills is included.

Also provided is a federal update on the reauthorization of the Federal Higher Education Act

The Commission advises the Governor and Legislature on higher education policy and fiscal issues. Its primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities. More information about the Commission is available at www.cpec.ca.gov.

Draft Commission Report

Accountability

AB 196 (Liu) -- Commission Position -- Support

This bill requires CPEC to administer a statewide accountability structure related to a specified set of goals and priorities. Amendments have focused on the specificity of the data collection requirements and the frequency of the reporting requirements. The current version of the bill has a biennial CPEC reporting requirement and seeks to minimize costs by having the initial implementation rely on existing data sources. CPEC staff has worked with the office of Assemblymember Liu in the development of the legislation and the identification of costs associated with its implementation. The bill was placed on the Senate Appropriations suspense file and will be heard on August 25.

CSU Doctoral Degrees

SB 724 (Scott) -- Commission Position -- Watch

Based on an agreement between the UC and CSU, this bill has been amended to permit the CSU to independently offer the doctoral degree in education (Ed.D). Other degree programs, such as audiology and physical therapy, are no longer included in the bill. As a result, UC has withdrawn its opposition to the legislation. The bill is currently on the Assembly Appropriations suspense file and will be heard on August 25. CPEC's program review and evaluation responsibilities outlined in the legislation are discussed in Item 3 of this agenda.

Financial Aid

AB 358 (Liu) -- Commission Position -- Support

This bill provides the policy basis for setting and adjusting the maximum Cal Grant for students

attending independent colleges and universities. The Governor's May Revise restored a \$7.5 million Cal Grant reduction that had been proposed for students at independent institutions. AB 358 provides for a three year phase-in of a formula based on segmental fees and Cal Grant award levels. The bill has been placed on the Senate Appropriations suspense file and will be heard on August 25.

Transfer

SB 652 (Scott) *Commission Position -- Support* This bill directs UC to establish a common community college transfer curriculum for high demand majors. In order to provide additional time for the University to work with Senator Scott's office, SB 652 has become a two-year bill, to be taken up again in January 2006.

Facilities/Space Utilization

ACR 34 (Liu) *Commission Position -- Support* This resolution expresses the intent of the Legislature that the space utilization standards recommended by CPEC be used as guidelines for the development of higher education facilities. The ACR was held in Assembly Appropriations Committee. CPEC staff will continue to support this effort.

Student Fees – Community Colleges

AB 473 (Liu) -- *Commission Position -- Watch* This bill would permit the Board of Governors to set and adjust community college fees based on principles consistent with the Commission's student fee policy. In the current version the Board of Governors "recommends" rather than "sets" fees for students attending community college. The bill was withdrawn from the Senate Appropriations Committee at the request of the author and re-referred to the Committee on Rules.

CPEC Administration/Reorganization

AB 1072 (Liu) -- *Commission Position -- Oppose* This bill would reconstitute the Commission as a nine-member Commission on Higher Education. The bill was heard in the Assembly Higher Education Committee on April 23 and held in committee, making it a two-year bill. The Committee is expected to consider it again in January 2006.

SB 445 (Ducheny) -- *Commission Position -- Oppose* The amended version of this bill would reconstitute the Commission as the Commission on Statewide Postsecondary Education Policy and Planning. It was heard in the Senate Education Committee on April 28th and failed passage. Reconsideration of the bill was granted, but no date has been set for hearing.

MATRIX 2005-2006 LEGISLATIVE PRIORITY BILLS

	Bill Number	Author	Subject	CPEC Position	Policy Committee	Fiscal Committee	Floor Action	Policy Committee	Fiscal Committee	Floor Action	COMMENTS
1.	AB 196*	Liu	Higher Education Accountability	Support	X	X	X	X	P		Held on Suspense File in Senate Appropriations Committee, Hearing 08/25/05.
2.	AB 358	Liu	Student Financial Aid: Cal Grant Program	Support	X	X	X	X	P		Held on Suspense File in Senate Appropriations Committee, Hearing 08/25/05.
3.	AB 473	Liu	Community Colleges: Student Fees	Watch	X	X	X	X	P		Re-referred to Senate Committee on Rules.
4.	AB 700	Horton, J.	Student Financial Aid: Cal Grant Program	Support	X	H					Held in Assembly Appropriations Committee.
5.	AB 1072*	Liu	Postsecondary Ed: Calif. Commission on Higher Ed	Oppose	H						Re-referred to Assembly Higher Education Committee.
6.	ACR 34*	Liu	Public Higher Education Facilities	Support	X	H					Held in Assembly Appropriations Committee, no hearing scheduled.
7.	SB 361	Scott	Community Colleges: Growth Allocations for CCC Dist.	Watch	X	X	X	X	P		Held on Suspense File in Assembly Appropriations Committee, Hearing 08/25/05.
8.	SB 445*	Ducheny	Commission on Statewide Postsec. Ed Policy & Planning	Oppose							Failed passage in Committee. Reconsideration granted.
9.	SB 652	Scott	Public Postsecondary Education: UC Transfer Curriculum	Support	X	X	X	P			This is now a 2-yr bill & is pending consideration in Assembly Higher Education Committee; will next be heard in Jan. 2006.
10.	SB 724	Scott	California State University: Doctoral Degrees	Watch	X	X	X	X	P		Held on Suspense File in Assembly Appropriations Committee, Hearing 08/25/05.
X-Action Taken H-Held in Committee P-Pending Consideration F-Failed Passage *CPEC Involvement 08/19/05											

Status of Other Legislative Bills Tracked by the Commission

2005/2006 Legislative Session

Bill Number	Author	Subject/Status/CPEC Position
AB 58	(Nunez)	Kindergarten-University Education Facilities Bond Act of 2006 - bill has not moved - <i>watch</i>
AB 232	(Arambula)	Nursing Programs - would require common prerequisites for nursing programs – failed passage in Senate Education Committee - <i>watch</i>
AB 317	(Dymally)	Community College Finance – would appropriate \$80 million for equalization – held in Assembly Appropriations Committee following May Revise funding decisions - <i>watch</i>
AB 318	(Dymally)	Community Colleges: Funding - held in Senate Education Committee - SB 361 (Scott) to be vehicle for Community College Funding Reform bill - <i>watch</i>
AB 593	(Frommer)	California Hope Endowment - Senate Appropriations suspense file - number of amendments taken regarding disposition of state property - <i>watch</i>
AB 700	(Horton, J)	Student Financial Aid: Cal Grant Program – held in Assembly Appropriations Committee - <i>support</i>
AB 840	(Arambula)	Private Postsecondary Education: Accreditation – bill has not moved - <i>watch</i>
AB 870	(Bermudez)	Limit of Student Fee Increases – held in Assembly Appropriations Committee - <i>watch</i>
AB 918	(Wyland)	CSU: Recognition of Career Technical Education Courses - held in Senate Education Committee - <i>watch</i>
AB 982	(Laird)	Community College Health Services Fees - Senate floor - <i>watch</i>
AB 1241	(Matthews)	Student Aid Commission Reporting of GPA for Cal Grant Eligibility - <i>support</i>
AB 1350	(Cogdill)	Public Postsecondary Education: Dual Admissions Program – bill not heard – <i>watch</i>
AB 1366	(Lieber)	Community Colleges: Fiscal Accountability – gives BOG authority for Fiscal Crises Management Teams – Senate Floor - <i>watch</i>
AB 1399	(Garcia)	Cal Grant Eligibility for Children of Active Duty Military –bill not heard - <i>watch</i>
AB 1402	(Blakeslee)	Community Colleges Apportionments - held in Assembly Appropriations Committee - <i>watch</i>
AB 1436	(Baca)	Student Financial Aid: Cal Grant Program: funding for teacher preparation - <i>watch</i>
AB 1646 (Asm. Hi. Ed. Com.)		Higher Education technical "clean up" bill - Senate floor – <i>watch</i>
SB 5	(Morrow)	Student Bill of Rights - failed passage in Senate Education Committee - <i>watch</i>
SB 13	(Bowen)	Personal Information - current bill does not affect CPEC data gathering capability - <i>watch</i>
SB 407	(Margett)	Corporate Taxes: Taxpayer Contributions: Postsecondary Education Trust Fund - bill not heard, 2-year bill - <i>watch</i>
SB 531	(Ortiz)	Student Financial Aid: Cal Grant Program - bill not heard - <i>watch</i>

SB 847	(Ducheny)	Council on Education, Workforce, and the Economy - bill amended to CTC technical education teacher preparation - <i>watch</i>
SB 871	(Scott)	Postsecondary Education Accountability Act of 2005 - bill not heard - AB 196 (Liu) will be higher education accountability vehicle - <i>support</i>
SB 918	(Speier)	Delay Implementation of Academic Standards for High School Preparation for Admission to CSU/UC - bill not heard - <i>watch</i>
SB 964	(Scott)	Career Technical Education: Curricula - bill not heard - <i>watch</i>
SCR 31	(Simitian)	Extend Authority of Joint Committee on the Master Plan for Education through 2005-06 - held in Assembly - <i>watch</i>

Note: Bills that have been amended to address a different subject area have been deleted.

Federal Update – Reauthorization of the Higher Education Act (HEA)

Congress and the Administration have taken some action on the reauthorization of the Higher Education Act (HEA). The authorization of the current statute expired at the end of September 2004 and is currently operating by an extension of the current Act through September 2005.

The Administration, through the Department of Education, has presented its proposals and on July 22, 2005, the House Education and Workforce Committee approved HR 609, the College Access and Opportunity Act. The bill passed from committee on a party line vote and will be next taken up on the House floor. The Senate Health, Education, Labor and Pensions Committee (HELP) is expected to present its own version of a reauthorized Higher Education Act sometime in September.

Within the federal Higher Education Act, the area with the greatest impact on schools and colleges is Title IV, the student financial assistance programs. Reauthorization of the HEA is subject to provisions of the Budget Act that require that "savings" identified in the programs be earmarked for deficit reduction rather than providing a broader funding base for Title IV programs.

Listed below are selected provisions of the bill and proposals that will have a direct impact on students and California higher education:

- Pell Grants
 - Increases authorization for the annual maximum to \$6,000
 - Appropriated level remains at \$4,000
 - Limits eligibility to 16 or 18 semesters
 - Eliminates Pell Grant "shortfall"
 - Increases Pell Grant minimum to \$400
 - Expands "state scholars" Pell Grant merit program
- Campus-based programs
 - Provides for a reallocation of campus based funding formulae
 - Eliminates Perkins loan program
- Eligibility
 - Expands use of the "simplified needs test" for financial aid eligibility
- Distance education
 - Repeals the 50% rule for distance education so that schools will no longer be required to offer at least half of their course offerings on campus in order to be eligible for participation in Title IV programs
- Increased loan limits
 - Loan limits, in place since 1992, will likely increase for undergraduate borrowers, with aggregate borrowing limits remaining the same
- Student loan consolidation
 - Repeals "fixed rate" consolidation loans with accompanying elimination of the "single holder" rule and increased repayment options for all students borrowers
- Increased risk sharing for lenders and guarantee agencies
 - Reduces lender yield
 - Requires payment of guarantee fee

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